DISCUSSION ON THE PUBLIC ACCOUNTS COMMITTEE REPORT.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*). Sir, I beg to move that the Report of the Public Accounts Committee on the audit and appropriation account of 1109 be taken up for consideration.

MR. T. P. VELAYUDHAN PILLAI (*Tiruvalla III*): സർ, ഞാൻ ഇവിടെ കാര്യമാക്കാൻ ഉദ്ദേശിക്കുന്നു—

PRESIDENT: What is it? Who is speaking now? Is it Mr. Velayudhan Pillai? No, No. Times after number I have stated that those who know the English language should speak in English and not in Malayalam. Throughout the last Session Mr. Velayudhan Pillai has been carrying on business in the English language. Certainly he leaves his language behind in his own house and comes here and talks in Malayalam.

MR. T. P. VELAYUDHAN PILLAI (*Tiruvalla III*): Sir, for the time being, without prejudice to my right and as per the orders of the President, I shall discuss the Report in English.

The Resolution that I wish to move is this:—

"This Assembly recommends to Government that severe steps be taken against officers who were responsible for obtaining supplementary grants unnecessarily".

Sir, in this connection, I wish to make certain general observations regarding this Report. In the first place I am constrained to observe that the Report under discussion is incomplete and not sufficiently instructive. My reasons for substantiating this position are two. One is that it does not contain the evidence of the Heads of the Departments examined by the Committee. If such evidence was also published in the Report *in extenso*, this House would have been in a better position to understand and appreciate the Report properly. Page 5 of the Report under discussion deals with the financial irregularities such as misappropriation, defalcation, etc. But it is rather disappointing to see that no mention is made of the total amount of such misappropriations and defalcations and also of the total amount that has been subsequently realised by the Government from the delinquents, if any. It is also rather disappointing to find that no mention is made of the total amount of misappropriations and defalcations in each department. We are not in a position to know the amount, if any, subsequently realised by Government from each department. Hence I submit that the report is incomplete. I hope that, in future, Government will be pleased to arrange for the publication *in extenso* in the report of the P. A. C. of the evidence of the Heads of Departments, as also the full details of all financial irregularities such as defalcations and misappropriations.

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[Mr. T. P. Velayudhan Pillai.]

Coming to the resolution proper, we find, Sir, that, in several cases in which supplementary demands were made in this House and the grants were sanctioned by us, the actual expenditure had fallen short of even the original budget provision. Sir, this is very objectionable. Because, by freely resorting to this method and thereby obtaining grants that are not quite necessary, the Heads of Departments responsible for this have impoverished the activities of other Departments. There have been 5 cases in which supplementary demands for grants were applied for and finally obtained. I would therefore submit that in future the departmental heads should be asked to act up strictly to the circulars that have admittedly been issued by the Government in this behalf. Anyhow, it is gratifying to note in this connection that the Chairman has rightly observed, at page 11 of the Report as follows:—

> ".....The Chairman explained that there was really a tendency on the part of some Heads of Departments to go on asking for additional grants. Government have issued circulars already on this matter, and they would also see that no additional grant which could be avoided was asked for or sanctioned unless and until Government were convinced that the Head of the Department was really unable to provide that money by diversion."

I therefore request that the Government may be pleased to take severe steps against the officers who have been responsible for obtaining supplementary grants without any actual need for such grants.

With these observations, I commend the resolution for the acceptance of the House.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) Sir, in supporting the resolution, I wish to offer a few remarks on the Report of the Public Accounts Committee.

I may at the outset submit, Sir, that if this meagre document proves one thing more than another, it is the necessity, the urgent necessity, for an independent officer for auditing the accounts, as also the necessity for an efficient officer to guide the financial policy of Government. The audit report, as it is now published, gives little help to the Public Accounts Committee. The Public Accounts Committee cannot do its work unless it is given an honest and frank audit report. Sir, the present document is neither honest nor frank. It has deliberately suppressed facts, it has not given information which it is the right of the Public Accounts Committee, to get. I shall just point out one instance, Sir. There is the Cochin Harbour affair. No doubt, several of the matters connected with it are treated as confidential by the Government. I shall just read what the Account Officer—Financial Secretary says about it at page 11 of the Audit and Appropriation Report.

> "The net receipts from the Cochin Harbour Scheme for the year amounted to Rs. 9·09 lakhs as against Rs. 14 lakhs anticipated in the Budget."

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He is silent as to how this reduction came about. He could have stated, as the President did after questioning and cross-questioning by the Public Accounts Committee,— we could have been taken into the confidence of Government-that it was because of our revenue from Jaffna tobacco being now treated as customs revenue, instead of as Excise revenue as hitherto, Sir, do you think that this is not a matter of importance? This involves clearly a serious encroachment on the rights of the Travancore State. All along, the revenue on account of Jaffna tobacco was being treated as Excise revenue. And there is a special reason for that. We got that privilege, or special right, as compensation for our rights with regard to salt which, under the old arrangement, we parted with in favour of the Government of India. The revenue from Jaffna tobacco could be treated as customs revenue only from a purely theoretical point of view. As a matter of fact, it was as a result of mutual agreement between our Government and the Government of India in lieu of some advantage that we gave to the Government of India, that, under the old agreement, we got this special privilege in regard to Jaffna tobacco. It is a question of mutual adjustment. This fact the Account Officer has not mentioned in his Audit and Appropriation Report. I submit, Sir, that he was entirely wrong there. Certainly, that is not the attitude that we expect from Government in regard to this audit report. We want frank statements to be made with regard to our revenue and receipts. On the other hand, what we actually find is that even important facts are being suppressed. That is my main complaint.

PRESIDENT: I do not want to interrupt the discussion. At the same time, I think it is my duty to see that only those matters which are relevant to the particular resolution now before the House are brought into the debate. The resolution now before the House has been moved by Mr. Velayudhan Pillai, and he did raise a definite question. All matters relevant to that question will certainly be allowed. No other extraneous matter, of a general nature, not relevant to that question, can be raised.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): I may be excused, Sir; I am not able to follow the Chair. My doubt is whether we can discuss the Report generally.

PRESIDENT: It is not the general discussion of the Report that is now before the House. We have to confine our attention now to the particular resolution moved by Mr. Velayudhan Pillai. By that resolution, he seeks to bring to the pointed attention of the House one specific point, namely, that steps have to be taken against the officers responsible for obtaining supplementary grants which were not quite necessary. That is the only point now before the House.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): I have to make a request to the Chair to clear my doubt on this matter. The Report of the Public Accounts Committee has been placed before the House for consideration. There are members who have sent up resolutions and also those who have not sent up resolutions. I believe that all of us

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[Mr. A. S. Damodaran Asan.]

are entitled to discuss the main aspects of the Report, irrespective of the question whether we have sent up resolutions or not. I want to know from the Chair whether it is the idea to take these resolutions one by one, in the first instance, and then to allow a general discussion of the Report after all the resolutions are voted upon.

PRESIDENT: Once the entire subject-matter of the Report has been condensed in the frame of definite resolutions, it is only such resolutions that will be discussed and put to vote.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): Am I to confine myself to this resolution, Sir ?

PRESIDENT: Yes, as far as possible.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): Another observation that I have to make, with respect to this Report, is that it has not been written with sufficient care. Throughout, we find the word 'grant' being used wherever the word 'demand' ought to have been used. Sir, it is a supplementary *demand* that is always made to this House: and it becomes a *grant* only after the House sanctions it. The House is asked to vote on a *demand* and not on a *grant*.

Also, in the Report, the Chairman says—

"Under Regulation II of 1108 there are two bodies competent to sanction allotments, one, the Finance Committee and the other the Government itself."

I submit, Sir, that is a clear mistake. Certainly, that does not sound creditable to those responsible for the statement. So far as I have been able to study the constitution of our Legislature, Sir, our Finance Committee is not a statutory body and has *not* got the power to sanction allotments. It is only the Legislature, the Sri Mulam Assembly and the Sri Chitra State Council, that has the power to sanction allotments, other than the Government. Sir, such lapses can certainly be avoided if a little more care is taken in the preparation of these Reports.

As I have already pointed out, the Report speaks of *grants* being placed before the Finance Committee. Sir, grants are never placed before the Finance Committee. It is only *demands* that are placed before that body. The demands become grants only after they are sanctioned by the Legislature.

Coming to the resolution proper, Sir, this is what the resolution says—

"This Assembly recommends to Government that severe steps be taken against officers who were responsible for obtaining supplementary grants unnecessarily."

Sir, we have seen, even during the current session, that supplementary demands are being made without any regard whatsoever to the Rules relating to them. The Committee seems to be satisfied that the Government have taken ample measures to prevent such irregularities. What those measures are, Sir, we are not able to see; nor are we taken into confidence by the Committee itself.

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Mr. A. THANU PILLAI (*Trivandrum—Rural*) : May I ask whether it is not this House that sanctions these demands ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) : Yes ; I fully realise that. All the same, I am submitting whether the demands placed before us should not be free from technical flaws. Even during the current session, my friend Mr. Asan pointed out rightly, during the discussion of one of the demands, that it was not in accordance with the rules.

In regard to most other items also, about which the Committee seems to be satisfied that the necessary action has been taken, I must say that I have not been able to see that any steps have really been taken in such matters. So far as I have been able to see, absolutely nothing has been done since 1109, and, clearly, there has been no change. The old order of things still continues. An explanation has been added that, as far as possible, supplementary demands will not be made, and the Chairman of the Committee has assured that, in future, officers will be asked to confine themselves within the grants allowed by the House, any item of new expenditure being met by savings effected out of the money granted to them in the Budget for the year. Certainly, that is an entirely wrong way of doing things. Because, that is sure to give rise to a tendency on the part of the officers to come forward to this House, at the Budget Session, with extravagant demands so that they could have ample surpluses for diversion for emergencies. The control of the purse now vested with the Public Accounts Committee and with this House is sure to be loosened by that. The real error lies in the fact that there is no sound financial policy, nor accurate and careful budgetting. It is all *topsy turvy*.

It is all *topsy turvy*. It must be changed. The demands must be made strictly and within the limits. That must be insisted upon. Not that a supplementary grant should not be asked but it should be asked only whenever it is necessary. Even if there is a surplus, that does not entitle the Department to take it and spend it on a new item for which the House has not given its sanction. That is the strict financial rule that must be adhered to. If officers and heads of departments are allowed to make savings and to spend them on new items, the financial control will be taken away. If any direction is given to them to do so, that is a wrong direction. That is a direction that cuts at the very root of the rights of this House to control the finances of the State; and therefore it should not be allowed. Sir, in my opinion, the Public Accounts Committee should have at once pointed out to the Chairman that it is not a concession that he made to the privileges of this House, but that the direction the Chairman gave has been an act that curtails the power of this House. It is not the moving of supplementary demands that we are opposing. Supplementary demands should be asked according to the strict rules and according to the strict laws laid down in the Regulation; and the demands also should be asked strictly for the purpose needed and funds should be distributed according to the order of urgency and importance. All these thnigs should be done according to rules.

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MR. P. K. NARAYANA PILLAI (*Ambalapuzha I*) : May I know from the member whether supplementary demands are not made on account of the insufficiency of the original allotments in the budget ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) : My learned friend knows that supplementary demands can be brought when the original allotment becomes insufficient or an expenditure has got to be met which could not have been anticipated at the time of the budget or for new services that have to be introduced during the year and that could not be anticipated earlier.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha I*): May I know whether one of the grounds for a supplementary demand is insufficiency in the original allotment ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): Yes.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha I*) : Is it not advisable that the heads of departments who bring the supplementary demands should as far as possible have accurately esimated the demands, that may be necessary, in the budget itself ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) : That is what I say. They must have accurately estimated the demand. They should neither under-estimate it nor over-estimate it. Therein lies the cleverness or the efficiency of budgetting. The Public Accounts Committee watches that.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha I*) . May I know from the member whether, if an accurate estimate is made in the budget itself, the necessity for a supplementary grant cannot be obviated ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) : "*Accurate*" does not mean *identical* to expenditure. That is not the meaning of that. It can only imply "as far as possible". There might intervene circumstances that could not possibly or reasonably be anticipated and expenditure might become necessary. The prices may go up on account of changes in the financial world, or on account of the changes in prices. War may break out in Abyssinia and the prices of articles from Europe or Italy may go up. That will be clear to every one and it needs no explanation. Under such circumstances alone should there be a necessity for asking for supplementary demand. Such a necessity must be explained by the member who comes to the House with a supplementary demand. We, in this House, have been indulgent in the matter of allowing supplementary demands. That is the reason why the heads of departments come with these supplementary demands in a light-hearted way and take away the money but do not spend anything. This financial mess should not be allowed to continue. I have to speak very much about the motions I have sent; but as I think I will not be in order to speak about them now, when I am supposed to speak on this motion of Mr. Velayudhan Pillai. I will avail myself of the opportunity when those motions come up.

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MR. K. R. ELENKATH (*Kalkulam I*): I also rise to support the motion of Mr. Velayudhan Pillai. As Mr. Kunjukrishna Pillai has pointed out, the need for a supplementary grant generally arises only in particular cases when the Financial Secretary who budgets for the year or the head of the department responsible for the demand does not anticipate the item of expenditure which becomes inevitable subsequently. The Government not only has budgetted actual amounts of expenditure but also has not infrequently asked for supplementary demands. It has not stopped with that. As if even the supplementary demands granted were found insufficient, Section 32 has been made use of by the Dewan and additional grants have been certified by him to many of the departments. But, Sir, we find, when the actual expenditure is taken into consideration, the money expended comes far below the original grant; needless to say, it is certainly much less than that and the supplementary grant put together and very much less when the certified grants are also taken into account. This we find to be the case in many of the departments. In the Education Department, the original grant was Rs. 45 74,457; but the actual expenditure came only to Rs. 45,25,684. But there was in addition to the original grant a supplementary grant of Rs. 2,000 and a certified grant of Rs. 8,059; but now we see that a big amount of nearly Rs. 50,000 is allowed to lapse in that department. That is the case in many of the departments – the Police, Administration of Justice, Forest, General Administration, etc. As a result of this, what we find is that, while amounts are allowed to lapse in some departments some of the measures for developing the nation building activities in other departments are left out for want of funds. When we considered the Audit and Appropriation Report of 1108 in the committee of which I had the privilege to be a member I distinctly remember that the Dewan-President said, with all emphasis and sincerity, that in future he would as far as possible see that supplementary demands are not allowed to be made thus and that heads of departments responsible for such demands will be seriously dealt with and that all possible and available means will be used to see that, as far as possible, the real expenditure and the demand coincide. Sir, we do not find in practice that this has been observed. We find that in the very next year's Appropriation Report, the same story is repeated. So I would very strongly urge upon the members of this House to see that the motion is generally accepted, so that, at least in future, such a very serious disparity between the actual needs of the department and the demand made by it is not met with.

MR. K. PADMANABHAN (*Chirayinkil I*): Sir, I rise to oppose the motion before the House. My particular reason for doing so is the fact that the resolution is worded in rather very strong language. The charge levelled against the officers is only the making of a supplementary demand and for that the resolution says that severe steps must be taken against them. I can of course understand the sentiments expressed by the honourable members who preceded me. Supplementary

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[Mr. K. Padmanabhan.]

demands should be asked for only under exceptional circumstances. But, as we understand it and as has been suggested by Mr. Thanu Pillai, supplementary demands are discussed in this House and they are allowed or disallowed by the House. Taking into consideration this aspect of the question, the wording of the resolution is highly objectionable. On that ground and on that ground alone, I object to the resolution.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): May I know from the member which words he takes exception to?

MR. K. PADMANABHAN (*Chirayinkil I*): "Severe steps."

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): Will the member be satisfied if it is amended as "mild steps"?

MR. K. PADMANABHAN (*Chirayinkil I*): No. No steps need be taken. This Assembly records its opinion upon that. My position is that milder language should be used.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): What is the member's suggestion?

MR. K. PADMANABHAN (*Chirayinkil I*): My opinion is that the demands for supplementary grants should be asked only under exceptional circumstances. The simple fact that a supplementary demand is made does not mean that the officer is committing an offence of any sort inducing this House to call for severe steps being taken against him.

We also find that there are instances in which the expenses under votable heads exceed the grants that have been voted. In the Land Revenue Department as well as the Income Tax Department, we find that the expended amounts exceed the original grant, the supplementary and even the certified grants. That is a very serious matter.

MR. T. P. VELAYUDHAN PILLAI (*Tiruvalla III*): Is the member in order when he makes observations regarding the subject matter of the second resolution.

PRESIDENT: The member has to confine himself to the resolution before the House.

MR. K. PADMANABHAN (*Chiraginkil I*): I have nothing more to add to what I have said and I oppose the resolution.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): I rise to support the resolution before the House. The practice of coming to this House and asking for supplementary demands has to be very seriously noticed for two reasons. One is that the very valuable time of this House is being taken up in moving supplementary demands. Another is that the departmental heads of the Government must prove that they are entitled to get the high pay that they receive by estimating the receipts and expenditure at least with some approximation Demands for supplementary grants could be made only on two gsounds. The amount voted

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in the budget of a grant for which the vote of the Legislature is necessary must *be found to be insufficient* for the purposes of the current year. It must be actually found that the amount voted by this House is insufficient. It is the departmental head or the Government who should have correctly anticipated the expenditure. Now we see that even in the middle of the year when they come in for supplementary demands they are unable to give any approximate idea of the revised estimate of expenditure in the year.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Is not this resolution confined to such supplementary demands as have actually been granted by this House ?

MR. A. S. DAMODARAN ASAN (*Mavelikara*),: Yes, it relates exclusively to the supplementary demands as have actually been granted by this House. Those demands have been granted by this House because this House was informed that the sanction in the original budget was insufficient.

It is owing to misrepresentations and under misconceptions that this House grants supplementary demands. If it is not for a new service, it must have been really found that the old grant was insufficient. Anyhow the fact that there was a demand at the beginning of the year clearly shows that it is not a new service as contemplated in the second sub-clause of the rules.

MR. K. GEORGE (*Land Revenue and Income Tax Commissioner*): Before the House passed the grant, should it not have been sure that the additional grant was voted because of the insufficiency ? If that is so, there is no defect at all.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : I think that I have established that there was no necessity to go in for a supplementary demand on the first ground.

Coming to the second ground on which a supplementary demand is allowed, that is, if a need arises during the year for expenditure on an item for which the vote of the Legislature is necessary on some new service not contemplated at the time of the budget, I have to submit that the Government have not come to the House on the ground that a need for new service has arisen and that the supplementary grant is necessary. I will draw the attention of the House to Rule No. 10 of the Public Accounts Committee Supplemental Rules. It says :

> "The Financial Secretary shall, subject to the directions of Government, place annually before the Committee a list of the supplementary grants obtained by Government during the previous year for schemes of new expenditure treated as "new services" with a request for the opinion of the Committee as to whether they are new services or not.

If in 1109 a demand was made under the second head, it was the duty of the Financial Secretary to place before the Public Accounts Committee that such and such items were treated as new services in 1109 and the Committee should have been asked whether they agree with the Financial Secretary and Government in treating that as a new

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service. The object of framing that rule is to see that there is the approval of the Public Accounts Committee. That was not done either before the Public Accounts Committee of 1109 or 1110. If that had been done, I am sure that a number of items of expenditure for which supplementary demands were asked for would have been very well avoided.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*) : May I draw the attention of the member to the fact that the Public Accounts Committee meets only after the supplementary grants have been passed by the House.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : I am referring to Rule 10 of the supplementary rules. The obvious object of constituting the Public Accounts Committee is to regulate the expenditure of public money by the asking of supplementary grants. There is another rule, that is, Rule 11 which runs as follows :

> 'Subject to the control of Government, the Financial Secretary may report any type of financial irregularity to the Committee. In particular, the following classes of cases shall, subject to like control, be reported, namely—
>
> (a) .....
>
> (b) .....
>
> (c) Careless estimating resulting in avoidable supplementary estimates, excess demands or unnecessary lapse of grants.

Every year we find that there are lapses of grants amounting to lakhs of rupees. This indicates only one of two conclusions : either the Financial Secretary holds the view that the Departmental Heads have been very carefully and efficiently estimating their demands and that there was nothing to blame them even though there were lapses, or he is suppressing those instances in which there were lapses.

MR. A. THANU PILLAI (*Trivandrum—Rural*) : With reference to page 17 of the Audit and Appropriation Report of 1109, may I request the member to point out the figures with respect to which he takes objection and supports this motion ?

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : We find at page 17 that the actual expenditure under item 18—Police, was Rs. 11,000 less than the allotted sum and the same year Government have come in for a supplementary grant of Rs. 1,000. In the Education Department there was a lapse of Rs. 56,000 and at the same time a supplementary demand of Rs 2,000 was granted. Shall I mention all the cases? The members can find them out from the report itself. If there were new services the Financial Secretary should have placed them before the Public Accounts Committee and got their opinion. It was the duty of the Financial Secretary, who is an expert in the business and who is dealing with State Accounts, to draw the attention of the Public Accounts Committee to these facts.

MR R. NILAKANTA PILLAI (*Financial Secretary to Government*) : Does the member know that in the Police Department acting vacancies of constables are not filled up ?

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MR. A. S. DAMODARAN ASAN (*Mavelikara*) : I do not see the reason why the acting vacancies should be left without being filled up. Why should there be a special treatment in this matter in the Police Department alone ? Who will discharge the duties of the persons who are on leave ?

PRESIDENT : Please conclude soon.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) ; Sir. these are the grounds upon which I support the motion of Mr. Velayudhan Pillai.

I request the House to see that at least at this stage, the only stage in which we can give proper directions and censure the Government, we bring to the notice of Government the serious irregularities pointed out in the resolution by supporting it.

MR. S. J. NAIR (*Nedumangad*) : I oppose the resolution. The resolution as it is worded would amount not to a censure on the Government, but a censure upon ourselves, the non-official leaders of the House The resolution runs as follows ;

> " This Assembly recommends to Government that severe steps be taken against officers who are responsible for obtaining supplementary grants unnecessarily. '

I request this House, and especially the non-official members of the House to take special note of the expression " *obtaining supplementary grants unnecessarily.*" If the resolution was worded as " *bringing in supplementary demands* " I would have understood the meaning in it. It says " *obtaining* " supplementary " *grants* " Government could not obtain supplementary grants if the non-official members who are responsible, sensible, or useful enough, out-vote the " Demands " when found useless and unnecessary I need not remind the members that this House is composed of an elected non-official majority. So the Government cannot, could not and would not get a vote for any unnecessary demand Without the sanction of this House for any demand, necesary or unnecessary, Government could not obtain supplementary grants. Having given that sanction to say now that the Government officials—or rather ourselves—must be blamed for having sanctioned the Demand before is tantamount to a censure motion upon ourselves.

MR. K. R. ELENKATH (*Kalkulam I*) : May I know whether a department brings forward supplementary demands only because it does not know the saving that could be made?

MR. S. J. NAIR (*Nedumangad*) : It is the duty of the non-officials to be sensible, and to be alive to their sense of responsibility. We cannot expect the Government to take us into their confidence. We must see that the Government are made to reveal their conscience and confidence to us We must humble them down. If we have granted an unnecessary demand we must take the censure upon ourselves. Government officials or official members cannot be blamed for our acts of carelessness or absence of knowledge or wisdom.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : Then why not a vote of censure be recorded ?

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MR. S. J. NAIR (*Nedumangad*): I have no objection if the honourable member wants to record a vote of censure on the non-official section of the House. For my part I cannot agree with him. I cannot be party to that. I strongly oppose and wish to be dissociated from passing a censure motion upon ourselves by ourselves. Hence I request the honourable members to oppose this motion and I appeal to them with all the strength at my hand to out-vote the motion.

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*): May I know who deserves the censure—the granteer or the grantee?

MR. S. J. NAIR (*Nedumangad*): The body that grants the demands in an irresponsible manner. But I think that we have granted the demands with due responsibility and fully alive to our position.

PRESIDENT: The motion before the House is—

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Sir, I have not spoken in reply to the speeches made.

PRESIDENT: Mr. Nair has spoken already. (*Laughter*) Very well.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): As was stated by Mr. S. J. Nair all the supplementary demands were examined at the time by the Finance Committee and were duly voted upon by the Assembly and the Council. The Public Accounts Committee have gone carefully through all the items of supplementary grants sanctioned under section 32 of the Regulation and were satisfied that all these items would come within the purview of the Section. A statement is now made that supplementary grants were applied for when there were savings in the departmental budgets and that these savings were allowed to lapse. In departments like the Education, savings are bound to occur every year although it might not be possible to know anything about the savings early in the year when these supplementary grants were asked for. I shall now deal with each of the items of supplementary grants relating to the departments referred to in para 116 of the Audit and Appropriation Report.

The first one is the Education Department. As stated already there is bound to be savings in that Department which spends nearly 47 lakhs of rupees a year. The supplementary demand of Rs. 2,000 relating to that department was brought in by Mr. Statham in order to give an opportunity to the House te discuss the report of the Education Reforms Committee. There was therefore a specific purpose in bringing that demand.

Under Public Health, a supplementary demand for Rs. 6,250 was made for the purpose of combating plague recrudescence in the Cumbum Valley, It was for a new service.

Again, the supplementary demand for Rs. 600, for the training of the Public Analyst in the Indian Institute of Science, was for a new service.

The demand for putting up a pipe connection from the Science College to the General Hospital, Trivandrum, for the supply of gas for heating purposes, was also for a new service.

MR. A. THANU PILLAI (*Trivandrum—Rural*): May I know from the member whether these amounts were actually spent for the purpose?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Yes.

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MR. A. S. DAMODARAN ASAN (*Mavelikara*) : Then why did not the Financial Secretary place these items before the Public Accounts Committee ?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*) : The items were all given in the Audit and Appropriation Report which was placed before the Public Accounts Committee.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) ; Was Rule 10, Supplemental Rules of the Public Accounts Committee, complied with ?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*) : Yes.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) Were the views of the Public Accounts Committee ascertained ?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*) : It was open to the Committee to offer their views.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) : May I know whether the items were definitely placed before the Public Accounts Committee under Rule 10 and their views ascertained? The point that I emphasise is this There must have been a request made by the Financial Secratary under Rule 10. Was that ever made and if so, where is the record for it ?

MR. A. THANU PILLAI (*Trivandrum—Rural*) May I ask whether this House had an opportunity to say that they were new services ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) : My question is not answered.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*) : I think the then Financial Secretary might have placed it before the Public Accounts Committee. I was not then present.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) We are not concerned with personalities. We are concerned with the Financial Secretary. I do not understand what the member means by saying that he was not present, that he was away to Rameswaram and all that. We are not concerned with it. I want to know whether the Financial Secretary placed it before the Public Accounts Committee The Financial Secretary made a statement on the responsibility as Financial Secretary that it was placed. Where is the record I ask Can he make such a statement when the records were not placed before the Committee ?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*) : The matter was in the Audit and Appropriation Report. It was open to the Public Accounts Committee to say whether they were new services or not, if they felt any doubt on the matter.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) : Sir, I request the Chair to see that a definite answer is given.

PRESIDENT : All that I understood from the Financial Secertary is that the items were not placed in a definite form. The information was available with the Public Accounts Committee to express their views. The question now is whether under Rule 10, a definite request was placed before the Committee for its decision. Evidently the Financial Secretary's answer is in the negative.

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[President.]

The Financial Secretary might have assumed that the statement was accepted.

MR. K. KUNJUKRISHNA PILLAI (*Question I*): May I know whether a request was made under Rule 10, Supplemental Rules?

PRESIDENT: Evidently, no.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Then, coming to the item of supplementary demand for the Police Department, it will be seen that it was for the opening of a Police outpost which was a new item not contemplated at the time of the budget.

The supplementary demands under Administration of Justice, *viz.*, for the establishment of a First Class Magistrate's Court at Changanacherry and for the appointment of Stenographers in the High Court, were all for new items. There were heavy arrears in the First Class Magistrate's Court, Kottayam, and it was therefore found necessary to open a new court at Changanacherry.

PRESIDENT: That was an unforeseen item.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Yes, Sir.

MR. A. THANU PILLAI (*Trivandrum-Rural*): Was that amount spent for that very purpose?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Yes.

Lastly there is a small item of expenditure for the continuance of the staff on special duty for the standardisation of salaries. It was distinctly a new item.

Therefore the proposals for supplementary demands were all justifiable under the circumstances. Further most of the items were brought forward in the Vrischikam session of the Council. In the early part of the year, it is not easy to ascertain the extent of savings in any department.

PRESIDENT: Before supplementary demands are placed before the House, is it not the duty of the Financial Secretary to see whether it is a new service or unforeseen thing? Whatever it is, is it not the duty of the Financial Secretary to satisfy himself that money to that extent cannot be made available in the total grant sanctioned by the House in the budget?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): If it is for a new service, it has to be brought before the Council even if money is available.

PRESIDENT: You cannot utilise the savings effected for a new service. Is that your point?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Govenrment*): Yes, Sir.

PRESIDENT: In all these cases, were you able to satisfy that they were all new services and that the money required for the same could not have been taken from the total grant?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Yes, Sir.

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MR. A. THANU PILLAI (*Trivandrum—Rural*): I rise to oppose the motion. I am definitely of the view that funds that are sanctioned by this House for specific items should not be diverted and utilised for other purposes. (Mr. A. S. Damodaran Asan: *Hear, hear*). So whenever necessity arises for funds for a new service, Government ought to come to this House with a demand for supplementary grant. There is no meaning in saying that it is only in cases where the total amount allotted in the original budget is not sufficient for all the purposes of the particular department that a supplementary demand should be made.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): What does the rule say?

MR. A. THANU PILLAI (*Trivandrum-Rural*): The member knows it.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): That is not what I want.

MR. A. THANU PILLAI (*Trivandrum-Rural*); Is the member questioning my position?

PRESIDENT: Please go on.

MR. A. THANU PILLAI (*Trivandrum—Rural*): I am of the opinion that, if money allotted for a specific purpose lapses, it should not be diverted for another purpose. I do not think anybody will dispute that position.

When supplementary demands are made here, those demands are allowed very often. I do not see any real point in non-official members afterwards questioning the propriety of having asked for those grants. Of course there is occasion in the Finance Committee, there is occasion here to satisfy themselves of the necessity for the demand. I may also concede, if the non-officials take shelter under the plea that they might not be in possession of facts. I can also say that the officials can also make mistakes in that direction. There is also that possibility which could not be lost sight of. The non-official side ought to be careful in dealing with supplementary demands. If they are not themselves careful to see that their rights are not violated and unnecessary funds are not sanctioned, there is no use questioning the conduct of the Government. In this case, the explanation now offered by the Financial Secretary ought to be able to satisfy the House that the demands for supplementary grants were for a very necessary purpose.

There is another aspect. There will be some force in contending that the estimates originally made in the budget ought to be done with better care. We find large surpluses at the end of the year not because of the supplementary demands but because of mistakes in the original estimates. I do not think that the facts as disclosed here justify a censure on Government. With these few words, I oppose the resolution.

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SADASYA TILAKAN T. K. VELU PILLAI (*Trivandrum-Urban*) : I also oppose the motion before the House. My reasons are that it is so generally worded, that to me, it appears to be a very severe reflection upon this Assembly itself. I emphasise the words "obtaining supplementary grants". Who is the officer of Government who can obtain the supplemetary grant from this House without proper reasons being given, without convincing the House that the supplementary grants are necessary. Therefore, Sir, I consider the words 'obtaining supplemen'ary grants' used in this resolution form a reflection upon this Assembly.

PRESIDENT : The honourable member Mr. S. J. Nair pointed out that this is a censure motion by the non-official members upon this House.

SADASYA TILAKAN T. K. VELU PILLAI (*Trivandrum-Urban*) : In this case, Sir, there seems to be very considerable force in Mr. Nair's statement.

There is considerable feeling in the country that the officers representing the various departments are inclined to put half their case before Government when they demand money withot informing Government of their possible expenditure in all directions. They send up proposals. These proposals are sent up at the fag end of the year so that the Government has not sufficient opportunity to scrutinise them and the estimates. The Travancore Government have a reputation for unduly believing their officers in the wisdom of their proposals. Therefore when certain expenditure becomes unavoidable, theGovernment is obliged, though possibly they might rebuke in secret the officers concerned, the Government is obliged to come before the House and make the demands for grants. There is very little coordination. Officers in one department are ignorant of what is going on in another department though some of the departments are intimately connected with one another. Sir, we, on this side of the House, have very often taken objection to the policy of drift which characterises some of the departmental activities. Money is spent in directions which are not necessary at all. Money is wasted in lakhs and lakhs on experiments which no sensible person wou'd perform. Such being the case, are we not justified in demanding that hereafter, in this Assembly, when the Assembly is interesting itself in the discussion of this demand, when a century of education has given to Travancore a set of officers whose capacity and integrity are not questioned, when the whole world is watching us, that our finances should be properly husbanded? It is that feeling which is at the back of our minds. As Mr. Thanu Pillai said, if, on every occasion when a supplementary demand is brought in, this House has been able to decide it without extraneous influence—for no kind of influence can be brought to bear on us—if that is the case, how can we condemn our own action? For that reason and in the light of the explanation of the Financial Secretary, I oppose the resolution.

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MR. T. P. VEDAYUDHAN PILLAI (*Tiruvalla II*): I wish to know from the member, what his view is with regard to the Chairman's explanations contained at page 11 of the Audit and Appropriation Report?

SADASYA TILAKAN T. K. VELU PILLAI (*Trivandrum-Urban*): If the member could refer me to the particular sentence in the report, I may be able to answer him.

MR. S. J. NAIR (*Nedumangad*): On a point of order. When the member himself has not spoken about it, how can the member ask for his views?

PRESIDENT: The member has sat down.

MR. T. P. VELAYUDHVN PILLAI (*Tiruvalla III*): I put my question long before.

PRESIDENT: The resolution before the House is—

"This Assembly recommends to Government that severe steps be taken against officers who were responsible for obtaining supplementary grants unnecessarily".

The resolution was put to vote and lost.

The House adjourned at 1 P. M. and met again at 2 P. M. with the Deputy President in the Chair.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): Sir, I beg to move the following resolution:—

"This Assembly recommends to Government that, in accordance with the undertaking given by Government, Government should consult the Finance Committee before grants are authorised to be spent under Section 32 of Regulation II of 1108".

Sir, the specific point that I wish to bring to the attention of this House is that, under Section 32 of Regulation II of 1108, under extraordinary circumstances, Government have got a right to sanction certain amounts. The fact that it is not possible that such an item can be brought under a supplementary demand must be made out. In British India, there is a provision similar to Section 32. Yet the Governor, or Governor-General does, as a matter of course, consult the Finance Committee. That is one thing. But here, on two occasions, the Dewan himself has undertaken, and it has been recorded, that he would consult the Finance Committee before such expenditure is incurred under Section 32. Now it seems that the Chairman quietly forgets all that and he is trying to build up an argument which, on ultimate analysis, you will find, will not stand. He tries to misunderstand things. This is what he said:—

"The Chairman replied that it was not possible to consult the Finance Committee every time that an expenditure was authorised. Section 32 of Regulation II of 1108 conferred powers on Government to sanction under extraordinary circumstances certain sums which could not wait until the usual process of placing proposals before the Finance Committee was gone through".

That is not what is being done. Again he says:

"Under Regulation II of 1108 there were two bodies competent to sanction allotments; one was the Finance Committee and the other was the Government

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[Mr. K. Kunjukrishna Pillai.]

itself. Certain amounts were placed before the Finance Committee and certain others were passed by the Government itself. Obviously what Government sanctioned could not be placed before the Finance Committee".

Was he oblivious of these things when he made the promise before the Finance Committee? This is a misconception. The question is not that, before every demand is sanctioned, it must have received the consent of the Finance Committee; that is not the demand. He is trying to evade the question. What the Committee has been insisting on previous occasions and what has been promised on those occasions was not that the amount should always be sanctioned by the Finance Committee. In fact the Finance Committee has not the power to sanction any demand. It must be consulted; and it must be convinced that it is an item of expenditure which is extraordinarily urgent and one for which the normal procedure should be suspended, and this extraordinary procedure adopted. This is the thing that is wanted and that was what was promised by the Dewan. To say that —

"Once a grant was placed before the Finance Committee, it had to be placed before both Houses of Legislature as well"

is quite a different thing. We are not asking now that it should be placed before the Finance Committee or the Assembly to get their sanction. The demand is merely to consult the Finance Committee as to the extraordinary urgency for it. It is clouding the issue and making a sort of confusion with regard to the demand that is made. Is it legitimate or fair, I ask? Extraordinary items of expenditure have to be incurred by every Government. That is recognised in British India. That is why Section 32 is included in this Regulation here. Nobody disputes that. The point that has to be recognised is that, when Government want to use this extraordinary power, that power should be used only after the Government are able to convince at least the Finance Committee that an extraordinary situation has arisen. It is far different from the demand that there must be a recommendation by the House or the Finance Committee with regard to every item of expenditure necessitated.

DEPUTY PRESIDENT: Which page are you refering to?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): Page 12, paragraph 8, latter portion.

"Once a grant was placed before the Finance Committee, it had to be placed before both Houses of Legislature as well. So as a short cut in cases of emergency, Government sanctioned expenditure under Section 32 of the Regulation. This was the purpose of Section 32. Otherwise that section need not have been enacted'.

Then Mr. Abraham reminded him very properly of the promise that was made in 1109.

"If Government were to consult the Finance Committee in every case they would be bringing into rub the Government and the Finance Committee".

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I do not know how that should necessarily follow. Unless they themselves doubt their *bona fides* as to the extraordinary nature of the expenditure and unless they themselves doubt the genuineness of their case, why should there be a rub? Is the Finance Committee an irresponsible body? Is it a body that does not realise the responsibility of Government? All sorts of reflections bristle up in this most carelessly drawn up remark. There cannot be any rub. If there is a real case, then there will be no rub. It only shows the unwillingness to act in accordance with the spirit of the Regulation in force.

DEPUTY PRESIDENT : I wish to put a question. What is the legal basis of a promise made by the Chairman in the light of the language of Section 32? The wording of Section 32 is —

> "Notwithstanding anything contained in this Regulation, Our Dewan shall have power, in cases of emergency, to authorise such expenditure as may, in the opinion of Our Government, be necessary in the interest of Our Government or for the carrying on of any department or for the safety or tranquillity etc".

Mark the word "in the interest of Our Government". Now you are stating that the Chairman promised not to incur any expenditure without consulting the Finance Committee. Section 32 is silent as to any consultation with the Finance Committee in certain emergent cases. Just to know how any undertaking given by the Chairman in the light of the elastic language of Section 32 is applicable, I am asking this question.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): The fact must be remembered that, in spite of identical provisions like this in British India, the Viceroy and the Governor consult the Finance Committee in regard to such expenditure.

DEPUTY PRESIDENT : There the Governor-General represents the King Emperor; but here the Chairman does not represent His Highness the Maha Raja.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): I never wanted to dwell upon that point. Because the Chairman drew a parallel between the Viceroy and the Dewan, I made this statement. Not that I conceive that there is any parallel between them. The fact of the matter is that under Section 32, it was the Dewan as the representative of the Government that made the statement that, on occasions when expenditure very emergent arises, it will be better for Government to consult the Finance Committee and such an undertaking was given. It has got a value because he is the accredited representative of the Government. Now the attempt to get out of it is not right. Such a practice obtains in British India. Under these circumstances, the explanation given in the Report for not consulting the Finance Committee in the matter of providing for expenditure that may be necessiated under Section 32 cannot be accepted and this House should make that position quite clear. This is all that I have to say.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): I second it. I do not want to advance any more arguments.

DEPUTY PRESIDENT : That is your pleasure.

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MR. K. R. ELENKATH (*Kalkulam I*): The wording of the resolution does not seem to be quite acceptable to this House. The resolution reads :—

"This Assembly recommends to Government that, in accordance with the undertaking given by Government, Government should consult the Finance Committee, before grants are authorised to be spent under Section 32 of Regulation II of 1108".

To me it appears that Government have not given any undertaking to that effect. I know, as a member of this House and as a member of the Public Accounts Committee, that the Dewan has not given an undertaking to that effect. The Dewan-President has said that "as far as possible" he would see that the Finance Committee is consulted, and he made that statement in the capacity of the President of the Assembly and of the Public Accounts Committee.

DEPUTY PRESIDENT: Can you lay your finger on the exact sentence referred to?

MR. K. R. ELENKATH (*Kalkulam I*): Sir, in the last Public Accounts Committee, Mr. Abraham also asked the question, *viz.*,

"whether all grants authorised under Section 32 were authorised only after consultation with the Finance Committee, as had been undertaken last year".

I think that a definite undertaking was not given last year. I was a member of the Public Accounts Committee then.

DEPUTY PRESIDENT: Where is it specifically stated that such expenditure will be incurred only in consultation with the Finance Committee?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know from the member whether the statement that is contained in paragraph 9 was made in the Finance Committee when the Dewan himself was presiding?

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Is this statement in the Audit Report adhered to?

"The President assured the Committee that, in future whenever it became necessary to spend money which was not included in the Budget, the matter would be placed before the Finance Committee except in very emergent cases when such a procedure would not be feasible".

MR. K. R. ELENKAMH (*Kalkulam I*): There are two points to be considered here. One is that the President it was who assured and not the Government of Travancore and the other is that there are exceptional cases to which reference is made.

DEPUTY PRESIDENT: So your suggestion is that the Chairman and the Dewan are in two water-tight compartments?

MR. K. R. ELENKATH (*Kalkulam I*): Yes; to a very considerable extent.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know whether the present Dewan was the President of the Public Accounts Committee at that time?

MR. K. R. ELENKATH (*Kalkulam I*): Yes, Sir; he was the President.

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DEPUTY PRESIDENT: Had Nawab Sir Mahomed Habibullah the status then to preside except as Dewan?

MR. K. R. ELENKATH (*Kalkulam I*): Sir, I am as jealous as Mr. Kunjukrishna Pillai with regard to the rights of the Assembly. When that specific clause in Section 32 says that the Dewan reserves to himself the right to certify demands, I should think he is not entitled or obliged to consult the Finance Committee always. It should also be noted that the powers delegated to the Dewan by Section 32 are the outcome of a Regulation promulgated directly by His Highness the Maha Rajah constituting this Assembly; and I do not know whether the Dewan himself has any power to tamper with it.

DEPUTY PRESIDENT: That Section regarding certification power is not relevant in this connection.

MR. K. R. ELENKATH (*Kalkulam I*): Mr. Kunjukrishna Pillai's motion says "This Assembly recommends to Government that, in accordance with the undertaking given by Government, Government should consult the Finance Committee, before grants are authorised to be spent under Section 32 of Regulation II of 1108". If it were not worded so, I would have had no objection to accept it. In case the expenses are incurred by Government for purposes not mentioned in this Section, I would always prefer that the Finance Committee is consulted. But Mr. Kunjukrishna Pillai says that, whenever certification is made, that should be approved by the Finance Committee or the Finance Committee should be consulted on the point. If the resolution had been so worded as to mean that the items of expenditure incurred by the operation of Section 32 were not for the purposes for which the authorisation was intended, I would have gladly supported it.

DEPUTY PRESIDENT: I must tell Mr. Elenkath plainly that the question of certification does not arise. Certification is a different right vested in the Dewan.

MR. K. R. ELENKATH (*Kalkulam I*): It is the right of the Dewan to authorise or certify grant under Section 32 that is referred to by Mr. Kunjukrishna Pillai and the intention of the clause is to facilitate provision of funds for emergent needs when it may be almost impossible to bring it before the Finance Committee. It is only on such occasions that the authorisation or certification clause will have to be applied and ought to be applied. Therefore, on this point, I cannot agree with my friend Mr. Kunjukrishna Pillai.

MR. T. KRISHNA PILLAI (*Neyyattinkara II*): Sir, on going through the Report, what strikes one most is the authorisation of the expenditure by constantly invoking the aid of Section 32 of Regulation II of 1108. The Chairman has stated that only under extraordinary circumstances this Section of the Regulation will be resorted to. But on a perusal of the statement given in the Audit and Appropriation Report for the year 1109, it is evident that most of the items of expenditure incurred were not of an unavoidable or emergent nature.

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DEPUTY PRESIDENT: Will you please refer to that statement? That is a very delicate question and I do not want to pass on without understanding the implications and therefore I insist upon accuracy.

MR. T. KRISHNA PILLAI (*Neyyattinkara II*): Sir, on page 33 of the Audit and Appropriation Report for the year 1109, are catalogued the various items of expenditure incurred by Government with the aid of Section 32 of the Regulation. Several of the items mentioned therein are not of a very emergent or of an unavoidable nature. Moreover, Sir, exercising the powers conferred by this Section as a short cut, and also utilising it as a weapon to ward off some apprehended rub with the Finance Committee is not at all a justifiable or proper procedure. Anyhow, in so doing, I am firmly of the opinion that the Government are only slowly infringing upon the rights conferred upon this House. I, therefore, seriously urge upon Government that, hereafter at least, as was promised definitely and in unequivocal terms by the Dewan—Chairman of the Committee, a reference must be made to the Finance Committee and also that only under really extraordinary circumstances such a step should be adopted unlike what has been and is being done at present.

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): Sir, the question that has been raised centres round Section 32 of the Regulation and the discussions that took place at the two meetings of the Public Accounts Committee in relation to that Section. In the discussions that took place at the meeting of the Committee which considered the Audit and Appropriation Accounts of 1108, it is said that the Dewan gave an undertaking that he would consult the Finance Committee before any expenditure was authorised under Section 32 of the Regulation. One honourable member read out one sentence from a paragraph relating to the question in that Report. But I think, Sir, the previous sentence should also be kept in mind when we discuss this question.

The point was raised at that meeting by the then member of the committee, Mr. Karunakaran. He pointed out that the amount certified by Government was much greater than the supplementary grants voted by the Council and this, he said, was wrong on principle. He also said that the Finance Committee could have been consulted by the Government in regard to the expenditure authorised under the emergency clause and pressed the point that, as and when necessity arose, the Finance Committee must be summoned and the opinion of the Committee obtained. The Chief Secretary then pointed out the practical difficulties in the matter of consulting the Finance Committee in every case, since the demands from the Heads of Departments were received by the Government piece-meal and that it would not be possible for summoning a meeting of the Committee to meet on every such occasion. Then the Chairman assured the Committee that, in future, whenever it became necessary to spend money which was not included in the budget, the matter would be placed before the Finance Committee, except in very emergent cases when such a procedure would not

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be possible. Please note the exception. What he said was that *except in very emergent cases*, the Finance Committee would be consulted. But it was admitted by the Chairman, even at that meeting of the Public Accounts Committee, that there would be occasions when it would not be possible for Government to consult the Finance Committee before they authorised the expenditure. The charge now levelled against the Dewan is that he did not consult the Finance Committee when he authorised expenditure under Section 32. But, Sir, I may say that such expenditure is generally authorised at present only under *very exceptional* circumstances. If the Government think that a particular item of expenditure for which a demand has been made by the Head of a Department could wait till the succeeding Session of the legislative bodies, the Government invariably decide to bring it up as a supplementary demand before the Legislature. Only when the expenditure is found absolutely necessary and will not brook delay, is it authorised under Section 32.

MR. CHANGANACHERY K. PARAMESVARAN PILLAI (*Kunnattur* cum *Pattanapuram*): Since that undertaking was made by the Dewan, may I know from the member whether the Finance Committee was consulted on any occasion on which such an expenditure was incurred by Government?

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): No, Sir.

I was explaining that, whenever Government thought that an item of expenditure could wait for a few weeks or a few months, they invariably postponed it and brought it up as a supplementary demand before the Legislature. The Government did not authorise any expenditure under Section 32 unless it was found to be absolutely necessary.

DEPUTY PRESIDENT: Does it mean that the Dewan has any obligation whatsoever?

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): I do not think so. If the Dewan finds it necessary to consult the Finance Committee before authorising the expenditure, I think he will do it.

Heads of Departments sometimes make demands of a very urgent nature. Government examine those demands: and if they find that they could wait for some time, they do not authorise the expenditure. Only under exceptional circumstances do Government sanction expenditure under Section 32.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know whether only in case of emergent circumstances Government sanction the expenditure under Section 32?

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*) A distinction is made between emergent and very emergent circumstances. Only under *very* emergent circumstances has the expenditure been authorised.

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DEPUTY PRESIDENT : The words in the Sections are "to authorise such expenditure as may, in the opinion of Our Government, be necessary in the interest of Our Government". The word emergent is not there.

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): But the Government have always been careful to authorise the expenditure only in very emergent cases.

MR. K. KUNJUKRISHANA PILLAI (*Quilon I*): May I know whether, when the Dewan authorised the expenditure he contemplated of emergent and very emergent cases when consultation was not possible?

DEPUTY PRESIDENT : That question I do not allow. What was in the Dewan's contemplation is a personal matter. If it is an act of the Dewan I am prepared to allow.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): But from the words expressed it is so seen.

DEPUTY PRESIDENT : That is only from the interpretation of the words.

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): There are emergent cases; and very emergent cases and my point is that only in very emergent cases the expenditure has been authorised under Section 32; and that, I believe, is the undertaking given by the Dewan at the meeting of the Public Accounts Committee of 1109. Under very exceptional circumstances, such authorisation could be made and ought to be made, because it is not possible to convene meetings of the Finance Committee on all such occasions.

MR. T. P. VELAYUDHAN PILLAI (*Tiruvalla III*): May I know from the member the circumstances under which Government would consult the Finance Committee as per the assurance given by the Chairman?

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): Government will have to decide that themselves. It is very difficult for me to explain all the circumstances now. When a case comes up, Government will decide whether it is very emergent or not and whether expenditure ought to be provided for immediately. Each case will have to be decided on its own merits.

DEPUTY PRESIDENT : The whole difficulty arises from the language of the Section as I pointed out. The wording is as follows :—

> "be necessary in the interest of Our Government or for the carrying on of any department or for the safety or tranquillity of Travancore or any part thereof".

The words "interest of Our Government" is different from cases of very emergent necessity.

It must be proved that 'it is in the interests of Government or for carrying on any department'. That means that the carrying on of that department would be impossible without that expenditure of money. These are the conditions that have to be satisfied if expenditure is to be incurred under Section 32. I am merely mentioning this for the information of the House.

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RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): I may assure the House that such expenditure, as has been authorised under Section 32, has been incurred, and will be incurred only when absolutely necessary for the purposes mentioned in that Section.

DEPUTY PRESIDENT: And Government is the best judge in the matter?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): The only judge.

I am sorry, Sir, that I am not at all convinced by the explanation given, on behalf of Government, by the Chief Secretary. All of us had taken it for granted that Government could spend money under Section 32 only in very emergent cases, and that they would not go beyond the express promise made by the Dewan before the Finance Committee. I must say, Sir, that the distinction sought to be made out, between 'emergent cases' and 'very emergent cases', that kind of argument is advanced without taking into account the spirit of the Regulation, the spirit of the constitution of legislative bodies. These bodies were constituted with certain powers to manage the finances of the State, because the Government were convinced—

DEPUTY PRESIDENT: Not the Government, but His Highness the Maha Raja.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): I beg your pardon, Sir. It was because His Highness the Maha Raja was convinced that, to constitute legislative bodies and to give them a hand in the management of the finances of the State would be in the interests of the State and its finances. It is the object of the Regulation that there must be consultation between the non-officials and the officials, and that there must be expression of opinions on both sides. Sir, if His Highness the Maha Raja had absolute confidence in the infallibility of the Dewan or of the other officers of Government, we would not have had these legislative bodies in Travancore.

Sir, the argument of the Chief Secreaary cannot stand. It is merely begging the question. I do not think it will stand serious scrutiny. The Dewan, when he made his promise before the Finance Committee, has clearly recognised and contemplated not only the few very extraordinary circumstances under which expenditure under Section 32 would have to be incurred without allowing time for consulting the Finance Committee, but also the contingency of officers of the executive coming forward with items of expenditure not strictly within Section 32. That was why he gave the definite assurance that the Finance Committee would be consulted whenever possible, as is done in British India. I do not think, Sir, it is urged that, in Travancore, we have had anything like the earthquake at Quetta or some rebellion somewhere, which necessitated immediate expenditure of money even before calling together a meeting of the Finance Committee. In such cases, Sir, I do not think anybody would be so unreasonable as to raise any objection or voice of protest. I shall enumerate some of the items of expenditure that have been incurred here under Section 32. It will be seen that it is all about roads and ferries.

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DEPUTY PRESIDENT: Do these roads relate to areas where there is famine or pestilence.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): No, Sir.

I do not think it is seriously contended that any one of these items was really very emergent, so emergent as not to give them time for consulting the Finance Committee. I may submit, Sir, that the Dewan was very unhappy when he cited an instance of expenditure under Section 32.

DEPUTY PRESIDENT: You mean the instance was unhappy, and not the Dewan (*Laughter.*)

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): The Dewan was unhappy in the instance that he gave. Anyhow, Sir, the Chair has put my idea more accurately perhaps.

The instance given by the Dewan was, 'You may not allow expenditure for the extension of half-a-mile of a road but to put Travancore in the big air map of the world, you can cetainly do it'. I submit, Sir, that is an example of just that class of expenditure not contemplated by Section 32. You cannot, in a moment of hurry, decide to construct an aerodrome. We are not going to send out fleets of aeroplanes for any emergent situation affecting the safety and tranquillity of the Empire. There has been no war affecting Travancore or its interests.

DEPUTY PRESIDENT: I do not think I can allow that statement of yours. What the Travancore Gevernment may do in times of war is a matter of treaty (*Laughter*).

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): A clear and definite promise has been given by the Dewan; and the Government cannot now get out of it, unless they say that they find it inconvenient and propose to break it. Why not, I ask, the Government do what is done in British India? It is better for the Government to yield and say that they would consult the Finance Committee except in really extraordinarily emergent cases, for incurring expenditure under Section 32.

The whole question turns round the promise made by the Dewan. That the Finance Committee would be consulted except in very emergent cases, and not, as the Chief Secretary would have it, on the question as to what items come under Section 32.

The Travancore Government is not justified in avoiding such consultation with the Finance Committee. It is quite possible to do it; and that is being done in British India and everywhere else.

MR. K. R. ELENKATH (*Kalkulam I*): Is the Finance Committee consulted in British India?

MR. K. KUNJURISHNA PILLAI (*Quilon I*): I can assure the member that that is the case in British India. In Great Britain, the Cabinet is consulted Here also the Government will find it profitable to do that, if only we are able to convince them of the solidarity amongst us. In British India, the Government know that, if they do not consult the Finance Committee, their Budget and other matters will not sail smoothly in the Legislature. It is in the interest of the smooth working of the constitution that they do it in British India. That is what

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every Government, that has any faith in representative institutions, will do and ought to do.

With these words, I press the motion to a division.

The motion was put to vote and lost.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): I demand a poll.

A poll was taken and the House divided as follows :—

AYES—19.

1 Mr. A. S. Damodaran Asan
2 ,, K. P. Krishna Menon
3 ,, Pottayil S. Krishna Panickar
4 ,, T. Krishna Pillai
5 ,, K. Kunjukrishna Pillai
6 ,, K. Madhavan
7 ,, S. Nilakanta Pillai
8 ,, K. Padmanabhan
9 ,, Edavanatt S. Padmanabha Menon
10 ,, Kainikkara M. Padmanabha Pillai
11 Mr. Changanachery K. Paramesvaran Pillai
12 ,, R. Raman Pillai
13 ,, K. Sankaran
14 ,, R. Sivaraman Nair
15 ,, A. Thanu Pillai
16 ,, P. K. Thomas
17 ,, N. E. Varughese
18 ,, V. K. Velappan Nair
19 ,, T. P. Velayudhan Pillai

NOES—24.

1 Mr. T. K. Alexander
2 ,, C. V. Chandrasekharan
3 ,, K. R. Elenkath
4 ,, Antony George
5 ,, K. George
6 ,, M. Govinda Pillai
7 ,, M. Mahomed Haneef
8 ,, N. John Joseph
9 ,, J. M. Joseph
10 ,, N. Kesava Panickar
11 ,, T. T. Kesavan Sastri
12 ,, K. M. Krishnan
13 ,, Rao Sahib Dr. N. Kunjan Pillai.
14 Mr. P. C. Kuriyan
15 ,, C. O. Madhavan
16 ,, K. Mahomed
17 ,, R. Nilakanta Pillai
18 ,, N. K. Padmanabha Pillai
19 Rao Sahib S. Paramesvara Aiyar
20 Mr. R. Pitchu Aiyangar
21 ,, M. Sivatanu Pillai
22 ,, T. C. Thommen
23 ,, John Whitely Tolson
24 ,, G. B. E. Truscott

NEUTRALS—20.

1 Mr. N. Abdur Rahiman Sahib
2 ,, V. T. Chacko
3 ,, S. Chattanatha Karayalar
4 ,, A. Easwara Pillai (*Kalkulam* II)
5 ,, A. Easwara Pillai (*Kottarakara*)
6 Miss. Hepzibah Gnanasikamony
7 Mr. S. J. Nair
8 ,, M. K. Janardana Kamath
9 ,, T. S. Jayantan Namboothiri
10 ,, T. C. Joseph
11 Mr N. K. Krishna Pillai
12 ,, E. K. Kunjuraman
13 ,, K. M. Kuriakose
14 ,, M. K. Madhavan Pillai
15 ,, P. C. Narayanan Bhattatiripad
16 ,, K. A. Narayana Pillai
17 ,, Pacode A. Narayana Pillai
18 ,, P. K. Narayana Pillai
19 ,, G. Nilakantan
20 ,, S. Thiraviam Nadar

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